briefing them appropriately about our economic situation, macro economic fundamentals, stability and India's economic potential and attractiveness as a trade and invetment partner. The Missions are actively mounting efforts to give publicity to them, including through holding or participating in investment promotion seminars etc.

(b) The policy towards the foreign direct investment (FDI) is a dynamic policy aimed at progressively liberalising the FDI regime with a view to encouraging foreign investment in priority areas so as to make the Indian economy globally competitive. It is constantly reviewed taking into account the suggestions received from various quarters. The government has taken several initiatives in this direction, some of which are:

(i) Mining sector opened for automatic approval by RBI upto 50%

(ii) Extension of list of industries for automatic approval upto 51% expanded and certain sectors opened for automatic approval upto 74% equity. Total no. items for automatic approval enlarged from 35 to 60.

(iii) Foreign equity participation in electric generation, transmission and its distribution from hydroelectric, coal/lignite based, oil based, gas based thermal power plants has been allowed upto 100% under automatic approval provided the foreign equity in these projects does not exceed Rs. 1500 crores.

(iv) In the NBFC sector, FDI has been allowed in 16 activities at different levels.

(v) New guidelines have been issued on 11 June, 1998 by the Ministry of Civil Aviation about FDI in the civil aviation sector.

FIIs Permitted to Invest in Secondary Market

4512. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) the names of FIIs that are permitted to invest in the secondary market of stock exchanges in the country;

(b) the names of the countries where the FIIs are registered; and

(c) the conditionalities, if any, for permitting the FIIs to invest in the country's secondary market of stock exchanges?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) The information is being collected and will be laid on the Table of the House.

(c) The investment by the Foreign Institutional Investors (FIIs) in the Indian Capital Market are subject to an individual investment ceiling of 10% and an aggregate investment ceiling for all FIIs of 24% of the issued and paid-up capital of the Company. The ceiling of 24% can be enhanced by the investee company subject to specified special procedures. The operations of the FIIs are governed by the Securities and Exchange Board of India's Foreign Institutional Investors Regulations of 1995.

Recommendation of Khan Group on Mergers

4513. SHRI KRISHNA KUMAR BIRLA:
DR. B.B. DUTTA:
SHRI JANARDHANA POOJARY:

Will the Minister of FINANCE be pleased to state:

(a) whether the RBI had set up a Khan working group to given freedom to banks and financial institutions to explore gainful mergers etc;

(b) if so, the details of recommendations made by the Khan working group and on the basis of these recommenda-

tions whether any further merger of banks have been worked out;

(c) if so, the details thereof; and

(d) the efforts made by Government to implement the recommendations of the Khan working group?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) to (c) Reserve Bank of India (RBI) had, in December, 1997 constituted a Working Group with a view to harmonising the role and operations of Development Finance Institutions (DFIs) and banks. Headed by Shri S.H. Khan, former Chairman and Managing Director of Industrial Development Bank of India (IDBI), the Working Group has, inter-alia, made following recommendations with regard to merger of banks and financial institutions:

(i) The Group has recommended that management and shareholders of banks of DFIs should be permitted to explore and enter into gainful mergers. These mergers should be possible not only between banks but also between banks and DFIs and not only between strong and weak though viable entities but even between two (or more) strong banks and DFIs.

(ii) Such restructuring/consolidation should be brought about in a market-oriented fashion and should be led by viability and profitability considerations alone. This would require the right legal and industrial relations environment to prevail so that optimum advantage can be derived from the proposed restructuring/consolidation through a process of rationalisation.

IDBI has reported that no merger of banks have been/are being worked out on the basis of recommendations of the Working Group.

(d) RBI is examining the recommendations of the Working Group.

एन०डी०पी०एस० अधिनियम में संशोधन

4514. **श्री बालकवि बैरागी:** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या सरकार मादक द्रव्यों और साइकोट्रोपिक तत्वों के निषेध और नियंत्रण के लिए बने एन०डी०पी० एस० अधिनियम में कोई संशोधन करने का विचार रखती है;

(ख) इन संशोधनों की रूपरेखा और शब्दावली क्या है;

(ग) ये संशोधन कब तक कर दिए जाएंगे;

(घ) क्या इन संशोधनों के कारण मादक पदार्थों के तस्करों पर की जाने वाली कार्यवाही में कुशलता बढ़ेगी;

(ङ) क्या वर्तमान एन०डी०पी०एस० अधिनियम के कारण कुछ निर्दोष लोगों को अनावश्यक दंड, अपमान एवं प्रताड़ना सहनी पड़ रही है; और

(च) एन०डी०पी०एस० अधिनियम की ऐसी वर्तमान धाराओं का ब्यौरा क्या है जिन्हें सरकार हटाने जा रही है?

वित्त मंत्रालय में राज्य मंत्री (श्री आर० जनार्दनम): (क) जी, हां।

(ख) एन०डी०पी०एस० अधिनियम, 1985 में संशोधन करने के लिए स्वापक औषधि एवं मनः प्रभावी द्रव्य पदार्थ (संशोधन) विधेयक, 1998 नामक एक विधेयक को राज्य सभा में मानसून सत्र, 1998 के दौरान पेश किया गया। इसमें एन०डी०पी०एस० अधिनियम की कतिपय खामियों को दूर करने, अधिनियम के अधीन प्राधिकृत अधिकारियों को नियंत्रित पदार्थों के मामले में प्रवेश करने, तलाशी लेने, जब्ती आदि तथा गैर कानूनी तरीके से अर्जित सम्पत्ति का पता लगाने, उसके प्रयोग पर प्रतिबंध लगाने, अभिग्रहण तथा जब्ती करने का अधिकार देने की भी व्यवस्था है। इस विधेयक में, विशेष रूप से स्वापक औषधि एवं मनःप्रभावी द्रव्य पदार्थ के अवैध व्यापार के विरूद्ध 1988 में हुए संयुक्त राष्ट्र के सम्मेलन में हुए निर्णय के फलस्वरूप "नियंत्रित वितरण" की तकनीकी से संबंधित कतिपय दायित्वों, को पूरा करने पर बल दिया गया है। इस सम्मेलन में भारत ने भी भाग लिया था। इसमें इस अधिनियम के अधीन